

**ND ASSOCIATION OF COUNTIES FUND
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2002**

| | Month Ended 8/31/2002 | | | | Month Ended 7/31/2002 | | | | Current | Prior Year | 3 Years | 5 Years |
|--|-----------------------|---------|---------|---------|-----------------------|---------|---------|---------|------------|------------|-----------|-----------|
| | Allocation | | | | Allocation | | | | Fiscal YTD | FY02 | Ended | Ended |
| | Market Value | Actual | Policy | Net ROR | Market Value | Actual | Policy | Net ROR | Net | Net | 6/30/2002 | 6/30/2002 |
| | | | | | | | | | | | Net | Net |
| LARGE CAP DOMESTIC EQUITY | | | | | | | | | | | | |
| <i>Structured Growth</i> | | | | | | | | | | | | |
| <i>AllianceBernstein</i> | 7,068 | 2.8% | 3.0% | 2.47% | 6,902 | 2.8% | 3.0% | -7.10% | -4.82% | -28.65% | -16.80% | N/A |
| <i>Russell 1000 Growth</i> | | | | 0.30% | | | | -5.50% | -5.22% | -26.49% | -16.15% | N/A |
| <i>Structured Value</i> | | | | | | | | | | | | |
| <i>LSV</i> | 7,851 | 3.1% | 3.0% | 0.35% | 7,834 | 3.2% | 3.0% | -8.45% | -8.14% | 2.41% | 5.40% | N/A |
| <i>Russell 1000 Value</i> | | | | 0.75% | | | | -9.30% | -8.62% | -8.96% | -2.92% | N/A |
| <i>S&P 500 Index</i> | | | | | | | | | | | | |
| <i>State Street</i> | 33,338 | 13.3% | 14.0% | 0.66% | 33,119 | 13.4% | 14.0% | -7.77% | -7.16% | -18.03% | -9.27% | N/A |
| <i>S&P 500</i> | | | | 0.66% | | | | -7.80% | -7.19% | -17.99% | -9.18% | N/A |
| TOTAL LARGE CAP DOMESTIC EQUITY | 48,257 | 19.3% | 20.0% | 0.87% | 47,854 | 19.4% | 20.0% | -7.79% | -6.99% | -16.89% | -8.30% | N/A |
| <i>S&P 500</i> | | | | 0.66% | | | | -7.80% | -7.19% | -17.99% | -9.18% | N/A |
| SMALL CAP DOMESTIC EQUITY | | | | | | | | | | | | |
| <i>Manager-of-Managers</i> | | | | | | | | | | | | |
| <i>SEI</i> | 22,258 | 8.9% | 10.0% | 0.75% | 22,107 | 9.0% | 10.0% | -13.68% | -13.03% | -11.77% | N/A | N/A |
| <i>Russell 2000 + 200bp</i> | | | | -0.09% | | | | -14.93% | -15.01% | -7.96% | N/A | N/A |
| TOTAL SMALL CAP DOMESTIC EQUITY | 22,258 | 8.9% | 10.0% | 0.75% | 22,107 | 9.0% | 10.0% | -13.68% | -13.03% | -11.69% | 2.22% | N/A |
| <i>Russell 2000</i> | | | | -0.26% | | | | -15.10% | -15.32% | -8.59% | 1.67% | N/A |
| CONVERTIBLES | | | | | | | | | | | | |
| <i>TCW</i> | 25,135 | 10.1% | 10.0% | 1.76% | 23,902 | 9.7% | 10.0% | -7.22% | -5.58% | -20.37% | -2.22% | N/A |
| <i>First Boston Convertible Index</i> | | | | 0.54% | | | | -6.25% | -5.74% | -12.44% | 0.11% | N/A |
| INTERNATIONAL EQUITY | | | | | | | | | | | | |
| <i>Large Cap - Active</i> | | | | | | | | | | | | |
| <i>Capital Guardian</i> | 24,306 | 9.7% | 10.0% | -1.43% | 23,019 | 9.3% | 10.0% | -10.19% | -11.47% | -12.10% | -2.96% | N/A |
| <i>MSCI EAFE - 50% Hedged</i> | | | | -0.24% | | | | -10.04% | -10.26% | -14.62% | -7.32% | N/A |
| DOMESTIC FIXED INCOME | | | | | | | | | | | | |
| <i>Core Bond</i> | | | | | | | | | | | | |
| <i>Western Asset</i> | 58,965 | 23.6% | 22.5% | 2.62% | 60,074 | 24.4% | 22.5% | -0.21% | 2.41% | 8.36% | 8.53% | N/A |
| <i>Lehman Aggregate</i> | | | | 1.69% | | | | 1.21% | 2.92% | 8.62% | 8.10% | N/A |
| <i>Index</i> | | | | | | | | | | | | |
| <i>Bank of ND</i> | 31,628 | 12.7% | 13.5% | 2.30% | 32,293 | 13.1% | 13.5% | 1.32% | 3.64% | 8.38% | 7.79% | N/A |
| <i>Bank of ND CD'S</i> | - | 0.0% | 0.0% | N/A | - | 0.0% | 0.0% | N/A | N/A | 5.04% | 5.55% | N/A |
| Total Index | 31,628 | 12.7% | 13.5% | 2.30% | 32,293 | 13.1% | 13.5% | 1.32% | 3.64% | 8.14% | 7.66% | N/A |
| <i>Lehman Gov/Corp</i> | | | | 2.24% | | | | 1.20% | 3.47% | 8.24% | 7.86% | N/A |
| <i>BBB Average Quality</i> | | | | | | | | | | | | |
| Strong | 23,259 | 9.3% | 9.0% | 3.38% | 23,495 | 9.5% | 9.0% | -1.70% | 1.62% | N/A | N/A | N/A |
| <i>Lehman US Credit BAA</i> | | | | 3.56% | | | | -2.23% | 1.25% | N/A | N/A | N/A |
| TOTAL DOMESTIC FIXED INCOME | 113,852 | 45.6% | 45.0% | 2.69% | 115,861 | 47.0% | 45.0% | -0.08% | 2.60% | 7.55% | 7.88% | N/A |
| <i>Lehman Gov/Corp</i> | | | | 2.24% | | | | 1.20% | 3.47% | 8.24% | 7.86% | N/A |
| CASH EQUIVALENTS | | | | | | | | | | | | |
| <i>Bank of ND</i> | 16,042 | 6.4% | 5.0% | 0.16% | 13,590 | 5.5% | 5.0% | 0.16% | 0.32% | 2.41% | 4.76% | N/A |
| <i>90 Day T-Bill</i> | | | | 0.14% | | | | 0.15% | 0.29% | 2.63% | 4.68% | N/A |
| TOTAL NDACo FUND | 249,850 | 100.00% | 100.00% | 1.55% | 246,334 | 100.00% | 100.00% | -4.54% | -3.07% | -4.80% | 1.59% | N/A |
| POLICY TARGET BENCHMARK | | | | 1.15% | | | | -4.15% | -3.05% | -3.26% | 1.76% | N/A |

NOTE: Monthly returns and market values are preliminary and subject to change.